

FISCAL NOTE

HB 2544 - SB 2572

March 3, 2006

SUMMARY OF BILL: Authorizes every child in Tennessee under the age of 24 whose parent retired with at least 25 years of full-time creditable service as a certified teacher in Tennessee, to receive a 25% discount on tuition to any state-operated area technical vocational school or institution of higher education.

ESTIMATED FISCAL IMPACT:


**Increase State Expenditures - \$292,700 FY06-07
\$314,600 FY07-08**

Assumptions:

- Lost revenues to higher education institutions would be replaced with state funds.
- Approximately 664 FTE students/dependents of retired teachers are estimated to take courses.
- Approximately \$410 represents the 25% tuition discount for each FTE student/dependent ($664 \times \$410 \times 7\frac{1}{2}\% = \$292,658$ FY06-07). FY06-07 costs reflect a $7\frac{1}{2}\%$ tuition increase over FY05-06. Second year costs (FY07-08) are estimated to be \$314,607 which includes a tuition increase over the previous year of an average of $7\frac{1}{2}\%$.
- The children of teachers receiving tuition discounts for previous years provide a fair representation of children expected to receive tuition discounts in the future, adjusted for an expected participation rate for children of retired teachers in proportion to current participants.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director